



Department  
for Education

# Comparing the costs of social work qualification routes

March 2016

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Social Science in Government

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## Technical Preface

This study is concerned with identifying the full costs to the economy of delivering a range of social work qualification routes. This is based on estimates of actual resource costs and the purchase price of programmes. We also give prominence to the financial cost to government, reflecting potential overarching policy considerations.

While we have tried to minimise complexity, the precise nature of the analysis has made it necessary to introduce technical terms associated with both the methodology and funding structures associated with particular delivery routes. An explanation of these terms is summarised below.

### General terms:

- **Traditional Routes:** undergraduate and postgraduate social work training routes delivered by higher education institutions.
- **Accelerated Routes:** Fast track children's social worker training routes delivered by Step Up to Social Care and Frontline.
- **Assessed and Supported Year in Employment (ASYE):** First post-qualification year in employment as a social worker.
- **Newly Qualified Social Worker (NQSW):** Status on achieving the academic social work qualification and starting ASYE.
- **Health and Care Professional Council (HCPC):** Regulatory body for the social worker sector in England.
- **Service providers:** Social care service providers such as local authorities and private voluntary and independent organisations.
- **Average/Unit Cost:** The cost per student/participant. This could be expressed as per enrolled student/participant or NQSW.

### Top-down methodology terms:

- **Top-down:** An analysis of costs based on the total purchase price (the actual price paid) by government and the individual student to qualify as a social worker.
- **Cost to government:** The direct funding provided by government to social work students and those involved with the delivery of training. This is otherwise known as the fiscal cost. This consists of:
  - **Education Support Grant:** Government grant to cover the cost of employer placement elements of the qualification.
  - **Social Work Bursary:** Government grant available to a subset of social work students on traditional routes.

- **Placement Travel Allowance:** Grant to cover student travel costs while on placements for social work students on the traditional routes that do not receive the Social Work Bursary.
- **Programme specific funding:** Grant funding associated with the delivery of the Frontline and Step Up programmes.
- **Total cost to government:** the total cost of all government funding that applied to each qualification route for all students.
- **Opportunity cost:** The cost of alternatives foregone, for example, the loss of earnings experienced by social work students from being in full-time study.
- **Wider costs:** Costs in the top-down approach that were not funded directly by government. These included tuition fees and opportunity costs for students.
- **Total cost to the economy:** This term was used to describe the total costs to government and the wider costs associated with study under the top-down analysis.

## Bottom-up methodology terms

- **Bottom-up:** An alternative costing approach that seeks to establish the actual resource input of qualifying a social worker, which may differ from the price paid, e.g., the tuition fee charged to students may not reflect the true cost of university course provision. We examined the actual time and resource spent by Higher Education Institutions (HEIs) and service providers training students to qualified status.
- **Transparent approach to costing for teaching (TRAC(T)):** Methodology adopted by the higher education funding council to help institutions cost their activity (proxy for academic resource costs).
- **Placement cost:** the resource cost of supporting a student employer-based placement (estimated by Curtis et al. study).

## Methodological Constraints

The nature of the study remit has introduced some methodological constraints. These are considered below and discussed in more detail in the relevant sections of the main report.

- This analysis is based purely on the cost side of the equation. In order to establish the relative value for money of each route, full assessment of the benefits side measured in terms of graduate suitability, productivity and progression would be required. In the absence of this information, the assumption must be one of homogeneous student outcomes for each route.
- We have not considered all social worker qualifying routes, such as work-based and part-time undergraduate and postgraduate courses. This was due to the significant variability in course structure and funding arrangements, which would render our process of average costing unreliable.
- It was only possible to conduct the bottom-up analysis for the traditional routes. Replicating the exercise for the accelerated routes would have required primary data collection that was beyond the scope of the study. However, the top-down and bottom-up methods are likely to be broadly equivalent for the accelerated routes as programme funding is used exclusively for delivery costs.
- The analysis presented is reliant on secondary data. We have scrutinised and, where possible, validated the data used via consultations with the relevant officials and organisations. We are confident that the analysis provides the best possible estimates of the costs of social worker qualifying routes within the remit of the study.
- With the exception of Step Up, cohort numbers, attrition and progression to ASYE have been projected using historical data.
- Individual student circumstances, such as prerequisite qualifications, part-time work undertaken, eligibility to claim additional funding and partial bursary payments for students that drop out of their course mid-year could not be factored into the analysis. Data at this level was not available. Suitable assumptions have been made in the absence of this information.
- In relation to the traditional qualification routes, the data used to project course completion was not broken down by full-time and part-time study. We used all available data to arrive at a reliable estimate.

# Executive Summary

## Introduction

1. York Consulting was commissioned by the Department for Education to undertake a research exercise to explore the costs associated with qualifying as a social worker, via both traditional (undergraduate and postgraduate) and accelerated (Frontline and Step Up) qualification routes. The aim was to establish the cost to government and wider economy of a student qualifying and beginning practice as a social worker by these different routes, informing future policy and funding decisions.
2. The collection and analysis of the data took place between April and November 2015.
3. This report focuses exclusively on the costs associated with the four main entry routes to becoming a newly qualified social worker (NQSW). These are summarised in the box below.

### **Traditional Routes:**

- Undergraduate; a three year BA/BSc course with at least 170 placement days.
- Postgraduate; a two year MA/MSc course with at least 170 placement days.

### **Accelerated Routes- both postgraduate, leading to practice as a child and family social worker:**

- Step Up; A 14 month employer led training programme leading to a post graduate diploma qualification and including 170 placement days.
- Frontline; A two year employer based programme. In the first year of the programme participants complete 200 placement days and gain a post graduate diploma qualification.

4. We recognise that there are other routes that lead to qualifying as a social worker, such as work-based and part-time undergraduate and postgraduate courses, but do not cost these. This is due to the variability in both the delivery and funding of these routes which would make a reliable average cost almost impossible to calculate.
5. It should be noted that the programme structures and delivery methods associated with each of the accelerated routes are very different. This was taken into account in calculating the costs.
6. For the purposes of the research, we consider that a student becomes a qualified social worker (NQSW) when they start their Assessed and Supported Year in

Employment (ASYE) following their registration with Health and Care Professions Council (HCPC). Therefore, the cost of the ASYE is excluded from the cost calculations.

7. Throughout the analysis, unless otherwise stated, comparative cost estimates are based on a top-down methodology.

## Traditional Qualification Routes

7. The cost calculations for both qualification routes can be broken down into two elements: the cost to government of directly funding the qualification and the wider cost to individual learners associated with course participation. In presenting cost information, we use the term 'cost to government' to reflect the former and 'total cost to the economy' to include the wider measure, which includes both government and individual elements.

8. The key components of the cost to government are the Social Work Bursary (paid to a proportion of the students), the Placement Travel Allowance (paid to non-bursary students) and the Education Support Grant (paid to HEIs/service providers to cover placement costs).

9. The wider costs are those associated with the individual and include tuition fees and the opportunity cost (loss of earnings) associated with electing to participate on the course.

10. We have taken care to avoid double counting government funding with the wider costs associated with studying when calculating total cost to the economy. For example, those students eligible for the Social Work Bursary are receiving a government contribution, which might help to compensate for loss of earnings.

11. We used historical data to calculate the number of undergraduate and postgraduate students progressing on to their ASYE. Not all students register as a social worker immediately after graduation. Therefore, we estimated the number of students likely to start ASYE within two years of graduating; 77% for the undergraduate route and 74% for the postgraduate route.

## Top-down Analysis

12. The top-down approach reflects the purchase price of courses and can be used to assess the cost to government or the cost to the economy (which includes the costs to government and individuals). The application of the top-down approach for each qualification route has involved:

- Identifying the various funding streams and costs;
- Establishing the average per student/trainee cost;

- Factoring for the number of students/trainees in a select cohort; and
- Accounting for attrition using the proportion of students starting work as a NQSW.

13. Details of the top-down costs associated with qualifying as a Social Worker are set out in the box below.

#### **Top-down Costs of Traditional Qualification Routes:**

- The cost to government of qualifying a social worker by the undergraduate route is significantly less than the postgraduate route: £14,675 compared to £23,225. This can be explained by a higher level of per student Social Work Bursary funding for postgraduate students and a higher proportion of those eligible to claim this money relative to the number of enrolments.
- The total cost to the economy, which includes government funding and wider costs, of a NQSW is much greater for the undergraduate qualification route: £82,747 compared to £50,560. This can be explained by higher annual tuition fees and a longer period of study (three years as opposed to the two years for postgraduate courses).

## **Bottom-up Analysis**

14. The bottom-up method addresses the actual time and resource inputs of course delivery. We assess the extent to which the estimates developed using the top-down methodology diverge from the bottom-up estimates by comparing the costs of the academic and placement elements under each methodology.

15. It was only possible to conduct the bottom-up analysis for the traditional routes: this was achieved using existing course cost data provided by the Higher Education Funding Council for England (HEFCE). Replicating the exercise for the accelerated routes would have required primary data collection that was beyond the scope of study.

16. There is a clear difference between the resource cost of delivering social work courses to HEIs and the purchase price that they charge students. The undergraduate qualification resource input is £6,198 (23%) less than the tuition fees paid by students. The opposite is the case for the postgraduate qualification route where the resource input is £5,532 (50%) more than the average tuition fees paid. This confirms our expectation that HEIs are cross-subsidising the costs of different courses.

17. The costs associated with student placements with service providers was calculated to be £11,684 for undergraduate students and £9,902 for postgraduate students. This was shown to be significantly higher than the £4,040 available through the Education Support Grant as a compensation payment.

18. We recognise that there is a benefit to service providers that host students on placement. The benefit relates to the students undertaking the duties of a social worker (or other members of staff). Curtis et al. (2012) quantified this benefit by means of a survey of 72 Practice Educators/Supervisors. Employing this methodology, the estimated benefit for undergraduate students is £5,882, £6,019 for postgraduate students and Step Up participants and £7,907 for Frontline participants (all 2015 prices).

19. In order to get a sense of how closely aligned the purchase price, derived using the top-down approach, is to the resource cost (bottom-up approach) we constructed a like for like comparison which consists of the same cost elements. Details are shown in the table below.

	Bottom-up method Resource input	Top-down method Comparable top-down
Undergraduate	£40,406	£48,498
Postgraduate	£34,710	£28,035*

\*In order to avoid double counting the tuition fee contribution element of the Social Work Bursary has been excluded.

20. In the case of the undergraduate route, the resource cost is 20% lower than the comparable top-down figure and the postgraduate route is 19% higher.

## The Accelerated Qualification Routes

21. The selected cohort for each of the accelerated programmes is cohort three. In the case of Step Up, this is the 309 trainees who started in January 2014. The Frontline figure relates to the 180 trainees who are being recruited and will begin their training in summer 2016.

22. The decision to use cohort three for Frontline was based on the assumption that this would be closer to a “steady state” model of delivery. These costs have been projected by the Frontline delivery team based on cohort one and cohort two learning. We assessed these projections against past expenditure and are confident that they are robust and consistent.

23. In both programmes, costs relate exclusively to year one of the programme (i.e. to the point of becoming a qualified social worker and about to commence their ASYE), which is the end of the first 13 months of Frontline and the full 14 months of Step Up.

24. The completion rates (i.e. the proportion of students entering their ASYE) was 97% for Step- Up and the anticipated projection is 95% for Frontline. These rates are based on actual completion rates for cohort three of Step Up and cohort one trends for Frontline.

25. Costs have been aggregated into five common categories: student bursary; academic training/support; service provider training/support; recruitment; administration/management/overheads. Against each cost category, we present the total

annual spend for the cohort as a whole and the unit cost for total number of trainees enrolled plus the relative share of each category of total annual spend.

26. Details relating to the costs of the accelerated qualification routes are shown in the box below.

#### **Costs of the Accelerated Qualification Routes**

- The comparative analysis indicates that the cost per newly qualified social worker is higher for Frontline than Step-Up.
- The cost per NQSW for Frontline is £46,024 compared to £40,413 for Step Up. This equates to a 14% higher unit cost.

## **Conclusions**

27. Our methodology has maximised all information available to us and has been presented in a logical sequence showing the separate building blocks of the calculations. It has been necessarily complex in places, including sets of assumptions, in order to be totally transparent and replicable. Although reliant on secondary data, we have scrutinised and, where possible, validated the data used via consultations with the relevant organisations. We are confident the analysis provides the best possible estimates of the costs of qualifying a social worker within the remit of the study.

28. Our bottom-up analysis was largely illustrative and confirmed expectations regarding the costing of university courses and student placements. In terms of university courses resource cost estimates are 23% lower than purchase price for undergraduate routes and 50% higher for postgraduate routes. In terms of student placements, the resource cost of employer placements was shown to be more than double the amount paid in the compensating Education Support Grant.

29. It should be noted this analysis is based purely on the cost side of the equation. In order to establish the relative value for money of each route full assessment of the benefits side measured in terms of graduate suitability, productivity and progression would be required. In the absence of this information, the assumption must be one of homogeneous student outcomes for each route.

We set out details of the comparative costs associated with all qualification routes in the box below.

## Comparative Costs of Different Qualification Routes

### Cost to government

- The unit costs to government are significantly lower for the traditional routes. The cost is lowest for the undergraduate route (£14,675) with the postgraduate route 58% higher at £23,225.
- The lowest accelerated unit cost route is Step Up, which at £40,413, is 11% lower than Frontline (£45,323).
- The most expensive accelerated route unit cost (Frontline) is approximately three times higher than the lowest cost traditional route (undergraduate).

### Cost to the economy

- On the wider cost calculation, the positions are reversed with the accelerated routes generating the lowest unit costs
- The lowest unit cost is for Step Up at £40,413 and the highest for the undergraduate route at £82,747 - approximately double the price.
- The significant difference between the cost to government and cost to economy estimates is explained by the opportunity cost (alternative employment to degree course) which applied only to the traditional routes.

# 1. Introduction

1. York Consulting was commissioned by the Department for Education to explore the costs associated with qualifying as a social worker, via both traditional (undergraduate and postgraduate) and accelerated (Frontline and Step Up) qualification routes. The key aim was to establish the cost per student to qualify and begin practising as a social worker through these different routes.
2. The collection and analysis of the data took place between April and November 2015.
3. Our analysis focuses on the four main entry routes to becoming a newly qualified social worker (NQSW). For the purpose of the research, we consider a student becoming a NQSW when they start their Assessed and Supported Year in Employment (ASYE). We have made this assumption on the basis that it is the point of benefit realisation both to government and the wider economy. The individual concerned will be working as a social worker in an employed capacity and managing their own live cases; albeit under a degree of supervision. Resource inputs associated with ASYE are therefore excluded from our cost calculations.
4. Description of the four qualification routes is set out below.

## **Traditional routes**

- Undergraduate: A three year BA/BSc course in social work. Students spend at least 170 days on placements, and 30 days are dedicated to skills development to prepare students for their placements; or
- Postgraduate: A two year MA/MSc course for those with an undergraduate qualification (typically a 2:1 but some institutions may accept a 2:2) with an interest/experience in social work. As with undergraduate courses, this consists of 170 placement days and 30 skills development days.

## **Accelerated routes**

- Step Up to Social Work (Step-Up): A 14 month employer-led training programme that provides graduates and career changers, who have experience working with children and families, with a Postgraduate Diploma qualification in social work. The minimum entry-requirement is a 2:1 undergraduate degree. Trainees undertake at least 170 days on placement and 30 skills development days; or
- Frontline: A two year programme for graduates with a minimum of a 2:1 undergraduate degree. Trainees become qualified social workers after the first year (postgraduate diploma) with CPD and study for a Masters qualification in year two. In the first year of the programme, participants undertake 170 placement days and 30 contrasting learning days (in a different placement

setting).

5. In terms of entry requirements all four routes have a minimum standard set by the Health and Care Professions Council (HCPC). In addition to the degree criteria, all students must have obtained a minimum of grade C GCSE in English and Maths.

6. Student places available for the accelerated routes are in relatively short supply. There are high levels of demand and entry is very competitive. As a result, we understand that students following these routes tend to have a relatively higher qualification/employability profile than those entering the traditional routes. At the time of writing, there is currently no published evidence comparing the quality of graduates from different qualification routes, therefore, for the purpose of this costing exercise we treat all graduates as homogenous.

7. We recognise there are other routes that lead to qualifying as a social worker, such as work-based and part-time undergraduate and postgraduate courses. We have not considered these routes as there is significant variability in course structure and funding arrangements, which would render our process of average costing unreliable.

8. In **section two**, we explore the costs associated with the traditional qualification routes employing a top-down approach. The top-down method essentially assesses the total funding provided to deliver courses and includes the price paid by government and students.

9. **Section three** investigates traditional qualification route costs using the bottom-up approach. The bottom-up method addresses the actual time and resource inputs of course delivery. We assess the extent to which the estimates developed using the top-down methodology diverge with the bottom-up estimates by aligning the costs of the academic and placement elements under each methodology.

10. It was only possible to conduct the bottom-up analysis for the traditional routes: this was achieved using existing course cost data provided by HEFCE. Replicating the exercise for the accelerated routes would have required primary data collection that was beyond the scope of study.

11. **Section four** presents the costings approach for the accelerated qualification routes. This involves a top-down methodology with analysis of programme specific funding and aligning the costs associated with Frontline and Step Up into comparable cost categories.

12. In **Section five**, we reflect on methodological considerations and draw conclusions from a comparative analysis of relative costs for all four qualifying routes.

## 2. The Traditional Qualification Routes: Top-Down Approach

### Top-down methodology

13. In order to determine the purchase price per NQSW to government and the wider individual student costs associated with study (e.g. tuition fees and opportunity costs) for undergraduate and postgraduate qualification routes, we have adopted a 'top-down' methodology. For each qualification route this involved:

- Identifying the various funding streams and costs;
- Establishing the average per student/trainee cost;
- Factoring for the number of students/trainees in a select cohort; and
- Accounting for attrition using the proportion of students starting work as a NQSW.

14. In summary, our model for calculating the cost of qualifying as a social worker under each route can be specified as:

$$\frac{\text{The total government funding + wider costs}}{\text{Number of supported students that progress to NQSW}}$$

15. Our analysis separately estimates the financial costs to government and total cost to the economy (government funding + wider costs). All costs presented are actual costs for the stated cohort years.

### Direct costs to government

16. Annually the government makes a direct contribution to social worker education of approximately £100m; this is comprised of the Social Work Bursary, Education Support Grant and programme (i.e. Frontline and Step Up) specific funding. In estimating unit costs, it is necessary to break down the per student rates for each funding stream and apply this to our cohort numbers for each qualification route.

### The Social Work Bursary<sup>1</sup>

17. The Social Work Bursary provides a financial contribution to a sub-set of undergraduate and postgraduate students studying to become social workers. Following

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<sup>1</sup> Department of Health. (2014). *The Social Work Bursary in the 2014 Academic Year: Information for HEIs and Students (2nd edition)*.

reforms to the Social Work Bursary in 2012, the bursary is no longer available to first year undergraduates and the total number of students eligible is capped.

18. In the case of undergraduate students, the basic bursary rate is **£4,862.50** per annum (outside of London). Students that are not eligible for the Social Work Bursary can claim a Placement Travel Allowance (**£862.50** per annum) to help with travel costs whilst on placement.

19. Postgraduate (MA/MSc) students eligible for the bursary receive a total of **£7,358.50** per annum (outside of London). This comprises a basic rate of £3,362.50 and a contribution towards their tuition fees of £3,996 per annum. Those not eligible for the bursary can claim the Placement Travel Allowance at the same rate as undergraduates.

## The Education Support Grant

20. The Education Support Grant covers some of the costs incurred by HEIs and service providers for the arrangement and facilitation of the placement modules for both traditional qualification routes. The total cost of a 170 placement days and 30 skills development days is **£4,040**. This consists of the following elements:

- A daily placement fee paid to the local authority for students on placement (£20 per day);
- Skills development days (£10 per day); and
- Admin fee paid to higher education institutes (HEIs) for arranging/managing placement (£2 per day).

21. In addition to this, there is a grant of £7,400 available for each HEI that involves service users and carers in the development and delivery of courses. Without specific information from all universities delivering social work courses, we are unable to include this in our calculations. However, assuming all HEIs received this money, we estimate the per student effect of this would be no more than £100.

## Wider costs

22. In addition to direct funding from government, a significant proportion of the cost is borne by the individuals enrolled on undergraduate and postgraduate qualification routes. These costs are:

- **Tuition fees:** paid by students that contribute towards the cost of teaching and facilities provided; and

- **Opportunity costs:** Curtis et al. (2012)<sup>2</sup> identifies that there is a cost of loss of earnings to students as a result of being in full-time education. However, estimating this loss of earnings would require assumptions about the students' alternative employment. For the purposes of this analysis, we used the same approach as Curtis et al. to account for loss of earnings: data collected by the National Union of Students on living costs that provide a reasonable proxy, and is broadly in line, at the time of writing, with full-time earnings on the current minimum wage rate for over 21s (£6.50 per hour).

23. We have taken care not to double count government funding with the wider costs associated with studying when calculating total cost to the economy. For example, those students eligible for the Social Work Bursary are receiving a government contribution to their living costs and, in the case of postgraduates, their tuition fees too.

24. Tuition fees for undergraduates are calculated at the maximum £9,000 per annum rate. Although some institutions charge less, for example, courses run by further education colleges, students attending these institutions represent a very small proportion of total social work students. Postgraduate (MA/MSc) tuition fees vary significantly, therefore, we manually checked fees across all HEIs (identified by HEFCE) that offer postgraduate courses in social work for the 2015 academic year; the average fee was £5,479.

25. We applied the same opportunity costs to graduate and postgraduate qualification routes. Whilst an argument could be made that, as they already hold a degree, graduate students face a greater loss of earnings than their undergraduate counterparts, there was no scientific way to quantify this without student specific data.

26. We recognise that it is possible that some students might not incur an opportunity cost as they could have chosen to pursue full-time education in a different subject area. However, in the absence of any specific data to support this we have assumed all students attract an opportunity cost.

## Cohort numbers

27. We selected the following cohorts for analysis as these were subject to the latest funding arrangements over the same academic years:

- Undergraduate: students enrolling on a social work degree in the academic year 2013/14; and
- Postgraduate: Students enrolling on a social work MA/MSc in the 2014/15 academic year.

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<sup>2</sup> Curtis, L; Moriarty, J; Netten, A. (2012). The Costs of Qualifying a Social Worker. *British Journal of Social Work*. 42, p706-724.

28. Only qualifications that lead to registration with the HCPC and are delivered in England are considered.

29. Based on historical data, we have estimated the number of undergraduate and postgraduate students for our selected cohorts.

## Progression to NQSW

30. We have used historical data<sup>3</sup> to calculate the number of undergraduate and postgraduate students progressing on to their ASYE. Not all students register as social workers immediately after graduation. Therefore, we estimated how many students are likely to start ASYE within two years of graduating. This was calculated as 77% for undergraduates and 74% for postgraduates (see Tables 6 and 7). Estimating beyond this point would add complexities to the model, such as including students that would have been subject to different funding arrangements and costs. The number of students was considered small enough to exclude in favour of a more robust model.

## Assumptions

31. We have made the following additional assumptions in relation to the top-down methodology for the traditional qualification routes:

- Course attrition for current cohorts follows historical trends. We do not factor for post-qualification attrition rates;
- The cost of pre-requisite qualifications is borne by the individual and not included in our calculations: it is treated as a sunk cost. For example, the entry requirement for a MA/MSc is, generally, an undergraduate degree. It is assumed the undergraduate degree is not in social work (and therefore not Department of Health funded) because successful completion of such degree would mean the individual is already qualified and would not be eligible for further funding;
- The number of available Social Work Bursaries is capped. We assume all available bursaries are taken up and follow the trend of overall course attrition: students receiving the bursary are as likely to drop-out as those who are not entitled to a bursary;
- In relation to bursary payments, we include only the basic bursary payments and tuition fee contributions (postgraduate). We do not know how many students in our selected cohorts also qualify for income assessed bursaries or the amount paid;
- It is assumed that students who drop out of their course mid-year receive the full bursary or placement travel allowance for that year. Data relating to the exact

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<sup>3</sup> Department for Education and Department for Health (2015), ASYE data (unpublished)

amounts paid at the individual student level is not available. This assumption also applies to the Education Support Grant.

- Additional financial support, such as Disabled Students Allowance, is not included in our calculations. This is because the benefit is likely to affect only a small number of students. Also, these funding streams go beyond the scope of any potential reforms to the funding of social work qualifications as they are available to all eligible students, not just those studying social work;
- It is assumed HEIs receive the Education Support Grant for all students attending placements for the compulsory 170 days (plus 30 skill development days) and that HEIs pass on the full entitlement to service providers;
- Tuition fees are calculated at the UK/EU rates. Historically, no more than 10% of enrolments are non-EU students. International tuition fees between HEIs vary and therefore for the purpose of analysis, we have assumed the number of international students is zero; and
- Costs are calculated over the standard full-time course duration. Students studying part-time account for only 12% of the overall cohorts. This mode of study can vary in length and delivery.

## Top-down analysis

49. We examine the costs of qualifying as a social worker via both the undergraduate and postgraduate routes, distinguishing between costs to government and costs to students. In so doing, we calculate the per NQSW costs for each qualification route.

50. Undergraduate and postgraduate social work courses attract the same funding streams from government and individuals incur costs in the form of tuition fees and loss of earnings. However, there are some variations in the level of funding and costs for the different qualification routes.

51. **Table 1** draws together the total per student funding and costs for the undergraduate and postgraduate qualification routes. As mentioned previously, funding for undergraduate students is only available for the second and third years of study.

**Table 1: Total per student (unit) government funding (for duration of course)**

	Undergraduate (2013/14 cohort) (3 years)	Postgraduate (2014/15 cohort) (MA/MSc 2 years)
<b>Funding</b>		
Education Support Grant	£4,040 (170 placement days and 30 skill development days)	£4,040 (170 placement days and 30 skill development days)
Social Work Bursary	£9,725 (basic bursary rate outside of London)	£14,717 (basic bursary rate outside of London (£6,725) + tuition fee contribution (£7,992))

Placement Travel Allowance	<b>£1,725</b> (flat rate for non-bursary students outside London)	<b>£1,725</b> (flat rate for non-bursary students outside London)
<b>Total per student funding from Government</b>		
Bursary students	<b>£13,765</b>	<b>£18,757</b>
Non-bursary students	<b>£5,765</b>	<b>£5,765</b>

52. Postgraduate students in receipt of the Social Work Bursary receive greater Government funding per head (£18,757) than their undergraduate counterparts (£13,765). The reason for this is that undergraduate students do not receive tuition fee contributions.
53. The per student Placement Travel Allowance is the same for both qualification routes. This is because placements for undergraduates and postgraduates are the same length (170 days).
54. **Table 2** shows the total costs incurred by individuals including the opportunity costs.

**Table 2: Total unit costs to individual (duration of course)**

	<b>Undergraduate (2013/14 cohort) (3 years)</b>	<b>Postgraduate (2014/15 cohort) (MA/MSc 2 years)</b>
Tuition Fees	<b>£27,000</b>	<b>£10,958</b>
Living Costs (opportunity costs)	<b>£35,094</b>	<b>£23,396</b>
<b>Total cost to individual</b>	<b>£62,094</b>	<b>£34,354</b>

55. Costs to the individual are substantially more for those qualifying by the undergraduate route. This is explained by higher tuition fees, £9,000 per annum for undergraduates compared to £5,479 for postgraduates and an additional year of study.

### **Cohort numbers**

56. We have forecast student enrolments for our selected cohorts (2013/14 undergraduate and 2014/15 postgraduate) based on overall subject trends recorded by the Higher Education Statistics Agency (HESA)<sup>4</sup> and research conducted by Skills for Care (2014)<sup>5</sup>. The Skills for Care study detailed the number of students enrolling on HCPC accredited undergraduate and postgraduate courses for the academic years of 2009/10 through to 2012/13.

57. The Skills for Care study found that the average proportion of students that completed their undergraduate and postgraduate courses between the academic years

<sup>4</sup> Higher Education Statistics Agency. (2015). Students, Qualifiers and Staff data tables. Available: <https://www.hesa.ac.uk/content/view/1973/239/> . Last accessed 8th July 2015.

<sup>5</sup> Skills for Care (2014), Social Work Education in England.

of 2009/10 to 2012/13 was 93.5% and 94.8% respectively. Course completion rates at the undergraduate and postgraduate level were not broken-down by full-time and part-time students. However, the Skills for Care data consisted mainly (88%) of full-time students. Analysis provided of all students (undergraduate and postgraduate combined) reveals the proportion of full-time students that complete degree (93.4%) is in-line with the rates we have used. This was the latest data available at the time of reporting on which to base the attrition rates for our target cohorts.

58. **Table 3** details the forecast student numbers for our cohorts.

**Table 3 Cohort student numbers**

	Starting course	Year 2	Year 3
Undergraduates starting in 2013/14 academic year (93.5% complete course)	3250	3144	3039
Postgraduates (MA/MSc) starting in 2014/15 academic year (94.8% complete course)	1680	1593	n/a

59. In the case of undergraduate students enrolling in the academic year of 2013/14, the number of Social Work Bursaries available was capped at 2,503 (77% of students enrolling on course). The number of postgraduate bursaries available for the 2014/15 cohort was 1,536 (91% of enrolled students). We applied these caps when calculating the overall cost of funding and factored for attrition using the course completion rates detailed in **Table 3**.

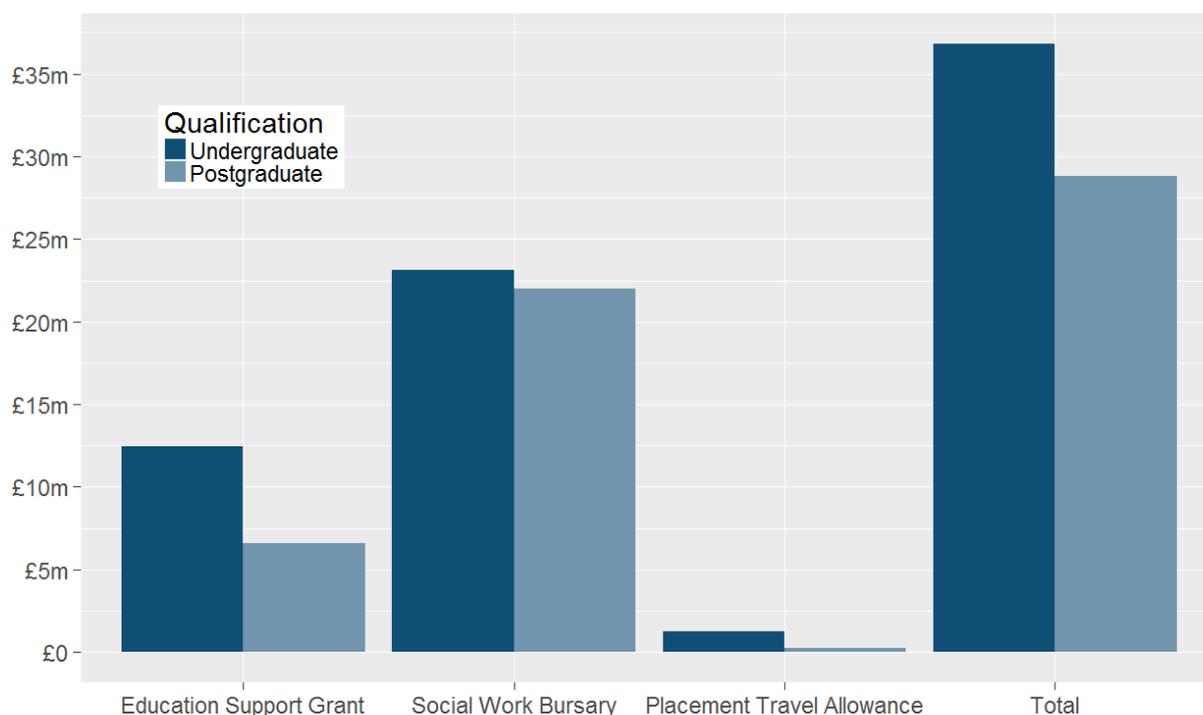
### Total costs

60. **Table 4** and **Figure 1** shows the total cost to government for the undergraduate and postgraduate qualification routes by funding stream. Cohort numbers, course attrition and the caps on Social Work Bursaries have been factored into these calculations.

**Table 4: Total cost to government (by funding stream) for duration of course**

	Undergraduate (2013/14 cohort) (3 years)	Postgraduate (2014/15 cohort) (MA/MSc 2 years)
<b>Started course</b>	<b>3250</b>	<b>1680</b>
<b>Funding</b>		
Education Support Grant	£12,454,423	£6,581,904
Social Work Bursary	£23,153,614	£22,017,574
Placement Travel Allowance	£1,225,683	£241,942
<b>Total costs to government</b>	<b>£36,833,719</b>	<b>£28,841,419</b>

**Figure 1: Total costs to government by funding stream**



61. Key points to note from **Table 4** and **Figure 1** are:

- The total Education Support Grant funding is reflective of student numbers: undergraduate and postgraduates receive the same funding per head;
- Interestingly the total Social Work Bursary funding is similar for the two qualification routes, despite the fact that more than double the number of students enrol on the undergraduate qualification route. This is explained by the fact that postgraduate students receive tuition fee contributions not available to undergraduate students and a higher proportion of postgraduate students are able to claim the bursary. The bursary for both qualification routes is claimed over the same two-year period: undergraduate students are not eligible for the bursary in their first year of study;
- In relation to postgraduate students, there is less money spent on the Placement Travel Allowance. This is because of the higher number of bursaries available, relative to the number of students enrolled.

62. The wider costs incurred by students are detailed in **Table 5**. The greater costs for undergraduates are explained by the longer course and higher annual tuition fees.

**Table 5: Total wider costs to individuals (duration of course)**

	Undergraduate (2013/14 cohort) (3 years)	Postgraduate (2014/15 cohort) (MA/MSc 2 years)
Tuition Fees	£84,894,750	£17,930,795
Living Costs (opportunity costs)	£110,344,310	£38,283,343

<b>Total cost to individuals</b>	<b>£195,239,060</b>	<b>£56,214,137</b>
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### Progression rates to NQSW

63. We found that two-thirds of those registering on their ASYE had qualified by the undergraduate route and one third via postgraduate. This is approximately in line with course enrolments. Data was provided by the Department for Education and Department of Health showing children and adult social workers' ASYE registrations for the 2014/15 academic year. Additional detail was provided allowing calculation of the year in which individuals graduated. **Table 6** and **7** sets out ASYE registrations by year of graduation against their respective course enrolments.

**Table 6: Undergraduates students registering on ASYE (2014/15)**

Registered on ASYE	No. enrolled on course	No. of ASYE registrations	%
Immediately after graduation*	2980	702	23.56
Up to 12 months after graduating	3270	1463	44.75
Between one and two years after graduating	3670	327	8.92
<b>Total registration (%)</b>			<b>77.23</b>

\*Registered on ASYE between graduating and start of next academic year in September

**Table 7: Postgraduate MA/MSc students registering on ASYE (2014/15)**

Registered on ASYE	No. enrolled on course	No. of ASYE registrations	%
Immediately after graduation*	1720	351	20.41
Up to 12 months after graduating	1640	732	44.62
Between one and two years after graduating	1840	164	8.90
<b>Total registration (%)</b>			<b>73.93</b>

\*Registered on ASYE between graduating and start of next academic year in September

64. The analysis shows that a little over 77% of undergraduate students and almost 74% of postgraduate students register on to the ASYE within two years of graduating. Applying these rates to our cohort numbers, we estimate that:

- 2,510 undergraduate students will begin practice as NQSWs; and
- 1,242 postgraduate students will start as NQSWs.

### Cost per student/NQSW

65. **Table 8** draws together the overall costs attributed to each qualification route with the cohort numbers and proportion of students that are projected to go on to become NQSWs.

66.

**Table 8: Cost per student/NQSW**

	<b>Undergraduate (2013/14 cohort)</b>	<b>Postgraduate MA/MSc (2014/15 cohort)</b>
Total costs to government	£36,833,719	£28,841,419
Total cost to individual	£195,239,060	£56,214,137
Students enrolled on course	3250	1680
Students progressing to ASYE	2510 (77.23%)	1242 (73.92%)
Cost to government per enrolled student	£11,333	£17,168
Total cost to the economy per enrolled student*	£63,905	£37,379
Cost to government per NQSW	£14,675	£23,225
Total cost to the economy per NQSW*	£82,747	£50,567

\*excludes Social Work Bursary and Placement Travel Allowance (to avoid double counting)

Note: figures may not sum due to rounding

67. The cost to government of qualifying an NQSW by the undergraduate route is significantly less than the postgraduate route: £14,675 compared to £23,225. This can be explained by a higher level of per student Social Work Bursary funding for postgraduate students and a higher proportion of those eligible to claim this money relative to the number of enrolments.

68. The total cost to the economy, which includes the government funding and wider costs, of an NQSW was much greater for the undergraduate qualification route: £82,747 compared to £50,560. This is because of higher annual tuition fees and a longer period of study (three years as opposed to the two years for postgraduate courses).

### 3. The Traditional Qualification Routes: Bottom-up Approach

#### Introduction

69. We employed a bottom-up methodology to examine how the actual resource inputs of teaching, administration, overheads and placements for the traditional qualification routes compare against the government funding and wider costs (that do not necessarily reflect the resource input) they attract. This involved making use of data on the costs of different course related activities and applying this to the same cohort numbers and levels of attrition as used in the top-down analysis.

70. The bottom-up methodology is exclusive to the traditional social worker training routes. It is well known that HEI charging policy to students includes a significant course cross subsidy. This occurs at an institutional level rather than subject level i.e. some subjects are more expensive to deliver than others, for example, medicine. The fee charge is effectively an average, and the actual cost of individual courses will be distributed around this average. Also local authority research suggests that the Education Support Grant available to cover student placements is lower than the actual placement costs. This was confirmed by the Curtis study.

71. It became clear early in our research that the generation of accurate bottom-up costs was going to be problematic. This was due to a combination of issues relating to accessing individual institutional data and accounting for the variability in course delivery between HEIs and service providers that would have required a significant sample size. However, we were able to generate reliable approximation of bottom-up costs for the traditional qualification routes via consultation with HEFCE who provided detailed data<sup>6</sup>. In addition to this, we utilised secondary research conducted by KPMG<sup>7</sup> and Curtis et al (2012).

72. All costs presented are actual costs for the stated cohort years.

#### Resource inputs

73. In relation to the undergraduate and postgraduate qualification routes, we identified two areas where activity costs might not reflect funding rates or costs incurred by students:

- Academic elements within HEIs; and

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<sup>6</sup> HEFCE. (2015). Analysis of TRAC(T) data (unpublished)

<sup>7</sup> KPMG. (2014). *A Review of the Cost of Postgraduate Taught Provision*. Available: <http://www.hefce.ac.uk/media/hefce/content/pubs/indirreports/2014/A,review,of,the,cost,of,PGT,provision/pgtcostreview.pdf>. Last accessed 6th Oct 2015.

- Placement supervision/preparation by service providers.

## Academic elements

74. In order to establish the resource input of the academic elements for the traditional qualification routes, we utilised Transparent Approach to Costing (TRAC)<sup>8</sup> data and recent research by KPMG. The TRAC methodology was developed by HEFCE with the higher education sector to help institutions cost their activities. This activity-based costings approach is a requirement for all UK higher education institutions in receipt of grant funding from the Funding Councils.

75. TRAC for Teaching (TRAC(T)) focuses specifically on the economic costs of teaching. It reveals the full average cost of teaching a student per year. This includes direct (lectures/seminars) and indirect (e.g. assessment and lesson planning, administrative support and facility overheads) time/resource inputs. HEFCE provided this data for the Social Work and Social Policy cost centre for the 2013-14 academic year. Research and other activities are not included in the TRAC(T) calculations.

76. HEFCE confirmed to us that the TRAC(T) data would provide a reliable measure of the resource input associated with the academic elements of undergraduate and postgraduate qualifying routes.

## Placement supervision/preparation

77. In order to account for costs incurred by service providers for placement supervision/preparation, we made use of a previous research study undertaken by Curtis et al (2012). The research included a survey of 72 Practice Educators/Supervisors to capture and cost all time spent supervising and preparing students on placement.

## Cohort numbers and progression to ASYE

78. We used the same cohorts of students and attrition rates detailed in the top-down analysis.

## Assumptions

- We assume courses delivered by HEIs in Scotland, Wales and Northern Ireland do not differ considerably from those in England. TRAC(T) data relates to all HEIs in receipt of grant funding and, therefore, includes HEIs beyond England. While there will be some variability, for example, the decision in Northern Ireland to only deliver

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<sup>8</sup> HEFCE. (2015). *TRAC Guidance*. Available: <http://www.hefce.ac.uk/funding/finsustain/trac/> . Last accessed 6<sup>th</sup> Oct 2015

undergraduate courses, most of the institutions delivering social work courses are based in England and will thus be more strongly reflected in the TRAC(T) data.

- In the case of the Social Work and Social Policy cost centre, the postgraduate to undergraduate cost ratio (weighting) for all courses averages the same: the KPMG study did not distinguish between courses that are recognised by professional bodies and those that are not;
- Placement days are calculated pro-rata from the Curtis et al (2012) estimates and account for inflation; and
- The 30 Skills Development Days take place and/or the main cost is attributed to HEIs and covered within the TRAC(T) calculations.

## Bottom-up analysis

79. We estimate the resource input for the undergraduate and postgraduate qualification routes to obtain a more accurate assessment of the resource cost of qualifying as a social worker.

80. We arrive at a per NQSW resource cost for each qualification route that is compared with top-down estimates of government funding and wider costs to the economy.

81. In the case of the traditional qualification routes, we identified two areas where resource inputs may differ from funding rates:

- **Academic elements:** The costs incurred by HEIs in the delivery of courses. We calculated the resource input with TRAC(T) data; and
- **Placement elements:** The costs incurred by service providers responsible for the supervision of students whilst on placement. Placements have been calculated by building on existing research by Curtis et al.

## Academic elements

82. HEFCE provided analysis of TRAC(T) data by HESA defined cost centres (subject areas). We focused on the Social Work and Social Policy cost centre which we then subdivided by HEFCE funding price group to include only courses that are recognised by professional bodies.

83. Analysis provided by HEFCE aggregated the average cost of teaching for similar universities<sup>9</sup>. The criteria for each of these peer groups are:

- Peer group A: Institutions with a medical school and research income of 20% or more of total income;
- Peer group B: All other institutions with research income of 15% or more of total income;
- Peer group C: Institutions with a research income of between 5% and 15% of total income;
- Peer group D: Institutions with a research income less than 5% of total income and total income greater than £150M;
- Peer group E: Institutions with a research income less than 5% of total income and total income less than or equal to £150M; or
- Peer group F: Specialist music/arts teaching institutions.

84. HEFCE were unable to provide data for peer groups A and F. This was because of an insufficient number of observations in the Social Work and Social Policy cost centre for these peer groups.

85. In order to separate the different levels of resource input associated with undergraduate and postgraduate courses we applied weightings that were developed in a recent KPMG study to each TRACT(T) peer group average. The weightings used relate exclusively to social work and social policy courses. The study calculated the costs associated with postgraduate taught and undergraduate courses with 17 HEIs.

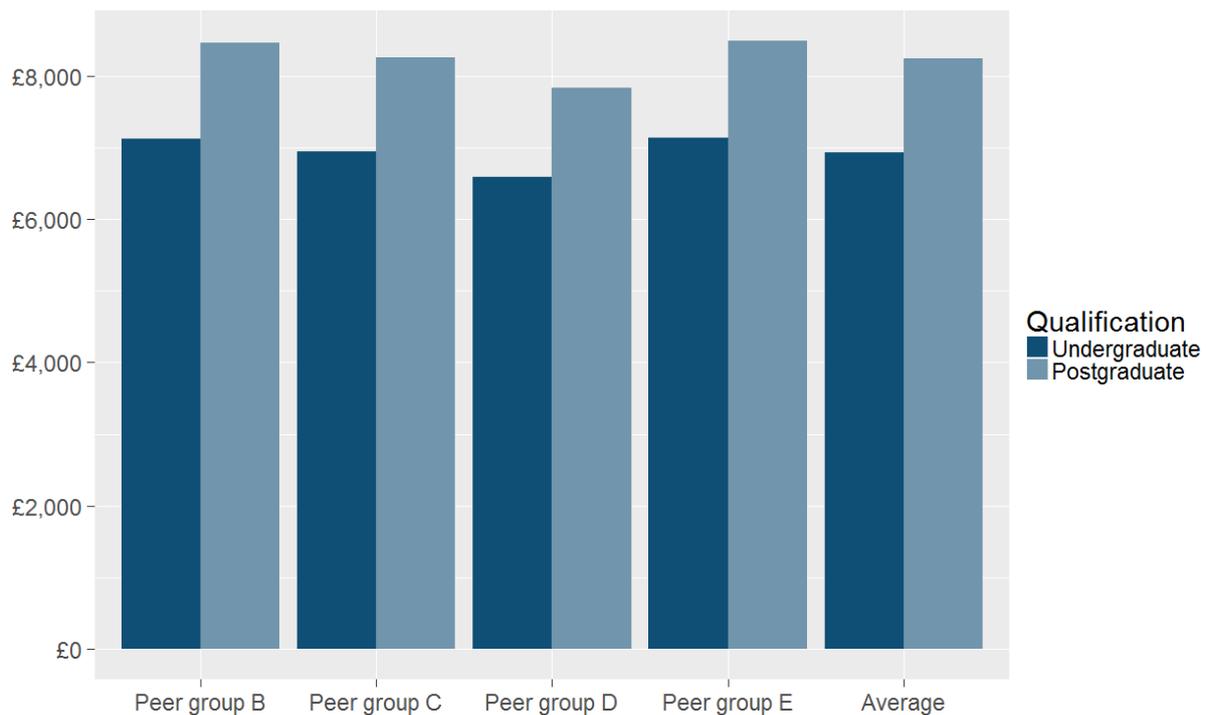
86. The resulting analysis, presented in **Figure 2**, reveals postgraduate course provision is more resource intensive. This is likely due to more intensive study and smaller class sizes. There appears to be no substantial difference in cost, for both undergraduate and postgraduate courses, between research-intensive HEIs (Peer group B) and other HEIs.

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<sup>9</sup> HEFCE. (2013). *Peer Groups for annual TRAC, TRAC FEC and TRAC(T)1 benchmarking 2013-14*. Available:

<http://www.hefce.ac.uk/media/hefce/content/What,%20we,%20do/Leadership,governance,and,management/Financial,sustainability,and,TRAC/TRAC,guidance/Annex%204.1b.PDF>. Last accessed 6th Oct 2015.

**Figure 2: Academic resource input per social work student**

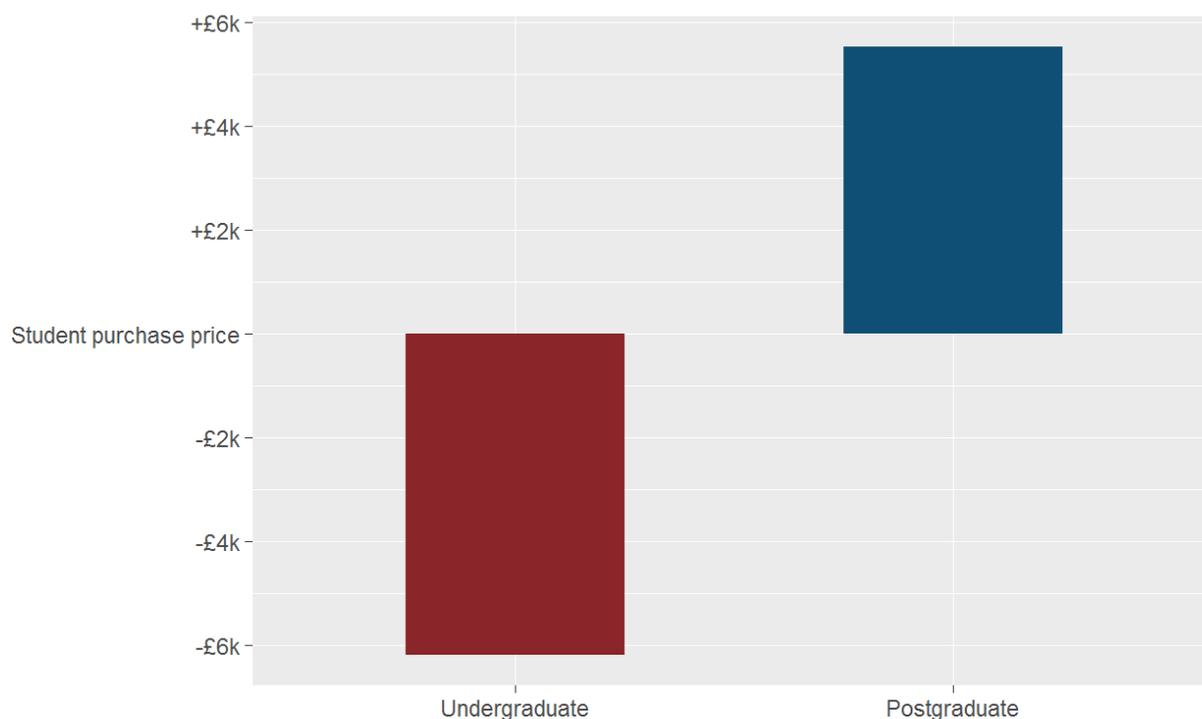


87. The average per unit student costs for all HEIs are:

- **£20,802** (£6,934 x 3years) for undergraduates; and
- **£16,490** (£8,245 x 2years) for postgraduate taught courses.

88. There was a clear difference between the resource cost of delivering social work courses to HEIs and the purchase price that they charge students. **Figure 3** shows that the undergraduate qualification resource input is £6,198 (23%) less than the tuition fees paid by students. The opposite is the case for the postgraduate qualification route where the resource input is £5,532 (50%) more than the average tuition fees paid. This confirms that HEIs are cross-subsidising the costs of different courses.

**Figure 3: HEI resource input compared to student purchase price**



## Placement elements

89. The Curtis et al (2012) study calculated the cost incurred by service providers of a 200-day placement per undergraduate and postgraduate student was £13,281 and £11,256 respectively. Based on this, we recalculated the costs incurred by service providers for a 170-day placement to be **£11,684** for undergraduate students and **£9,902** for postgraduates. Account was taken for 2015 wage rates (+ 3.5%). This compares to a £4,040 Education Support Grant compensation payment for both groups of students. The difference between service provider resource input and Education Support Grant is reduced when account is taken for the benefits (see para 94).

## Per student resource input

90. Details of the per student resource input for the undergraduate and postgraduate qualification routes are set out in **Table 9**.

**Table 9: Resource input per student**

	Undergraduate (2013/14 cohort) (3 years)	Postgraduate (2014/15 cohort) (2 years)
<b>Resource centre</b>		
HEI	£20,802	£16,490
Service provider	£11,684	£9,902
<b>Total</b>	<b>£32,486</b>	<b>£26,392</b>

## Resource cost per student/NQSW

91. **Table 10** draws together the overall resource input associated with each of the traditional qualification routes with their respective cohort numbers and the proportion that progress onto ASYE. This was constructed in the same way set out in the top-down analysis.

**Table 10: Resource cost per student/NQSW**

Resource	Undergraduate (2013/14 cohort)	Postgraduate (2014/15 cohort)
HEIs	£65,406,689	£26,982,917
Service providers	£36,011,119	£16,126,514
Total	£101,417,807	£43,109,430
Enrolled on course	3250	1680
Number progressing to ASYE	2510 (77.23%)	1242 (73.92%)
Resource cost per enrolled student	£31,205	£25,660
Resource cost per NQSW	£40,406	£34,710

Note: figures may not sum due to rounding

92. The resource cost per NQSW for the undergraduate route is £40,406 over three years, this compares to £34,710 for postgraduates over two years. This constitutes a small difference when course duration is taken into account. It highlights that postgraduate study is more intensive but over a shorter period.

## Comparison bottom-up costs and top-down costs

93. In order to get a sense of how closely aligned the purchase price (top-down) is to the resource costs (bottom-up) we have constructed a like-for-like comparison of the two estimates. The top-down figure has been adjusted to focus on the costs associated with academic and placement elements. It is different to the total cost to the economy figure as it excludes opportunity costs and, in the case of postgraduates, tuition fee contributions from the Social Work Bursary. This is our 'comparable top-down' figure. The components we have included in the analysis are detailed in **Table 11**.

**Table 11: Comparable cost components**

	Bottom-up	Top-down
<b>Academic</b>	Resource input from HEIs delivering the course (TRAC(T)/KPMG)	Tuition fees paid by students Social Work Bursary paid by government to a subset of students
<b>Placement</b>	Resource input from service providers (Curtis et al)	Education Support Grant paid by government to help with the costs of placements Placement Travel Allowance paid by government to a subset of students

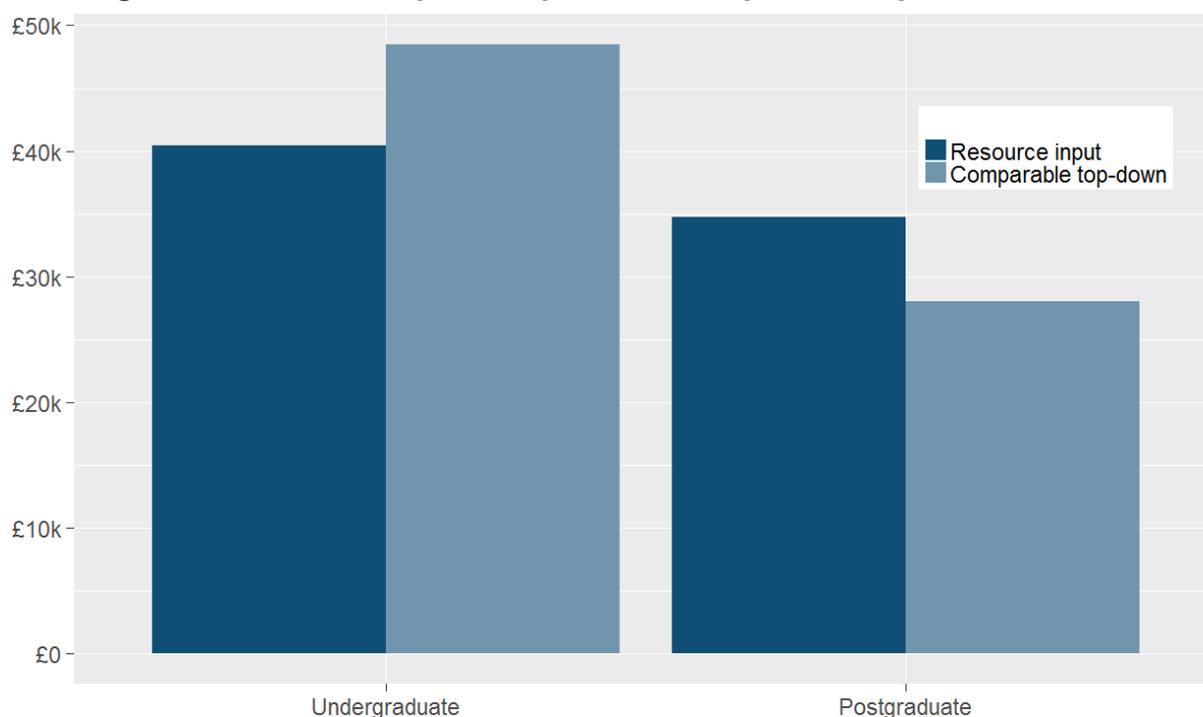
**Table 12** and **Figure 4** shows how resource input compares to the comparable top-down cost.

**Table 12: Resource input compared to comparable top-down costs**

	Bottom-up method Resource input	Top-down method Comparable top-down
Undergraduate (2013/14 cohort)	£40,406	£48,498
Postgraduate (2014/15 cohort)	£34,710	£28,035*

\*in order to avoid double counting the tuition fee contribution element of the Social Work Bursary has been excluded.

**Figure 4: Resource input compared to comparable top-down costs**



94. In a situation where only academic and placement elements are considered we find that undergraduate courses require less resource input than the total funding they receive and tuition fees charged to students. The opposite is true for postgraduate

courses. The difference can be attributed to academic elements of provision where there is evidence of HEIs cross-subsidising tuition fees. Service providers for both routes incur a loss in terms of their resource input towards facilitating placements relative to the amount of Education Support Grant they receive.

## Consideration for benefits

95. Research conducted by Curtis et al (2012) recognised there is a benefit to service providers from students undertaking placements. Curtis et al quantified this benefit by means of a survey of 72 Practice Educators/Supervisors in various placement settings. Although the study did not differentiate between statutory and non-statutory placements or those provided by private, voluntary and independent organisations, Curtis et al developed reliable averages at the undergraduate and postgraduate level.

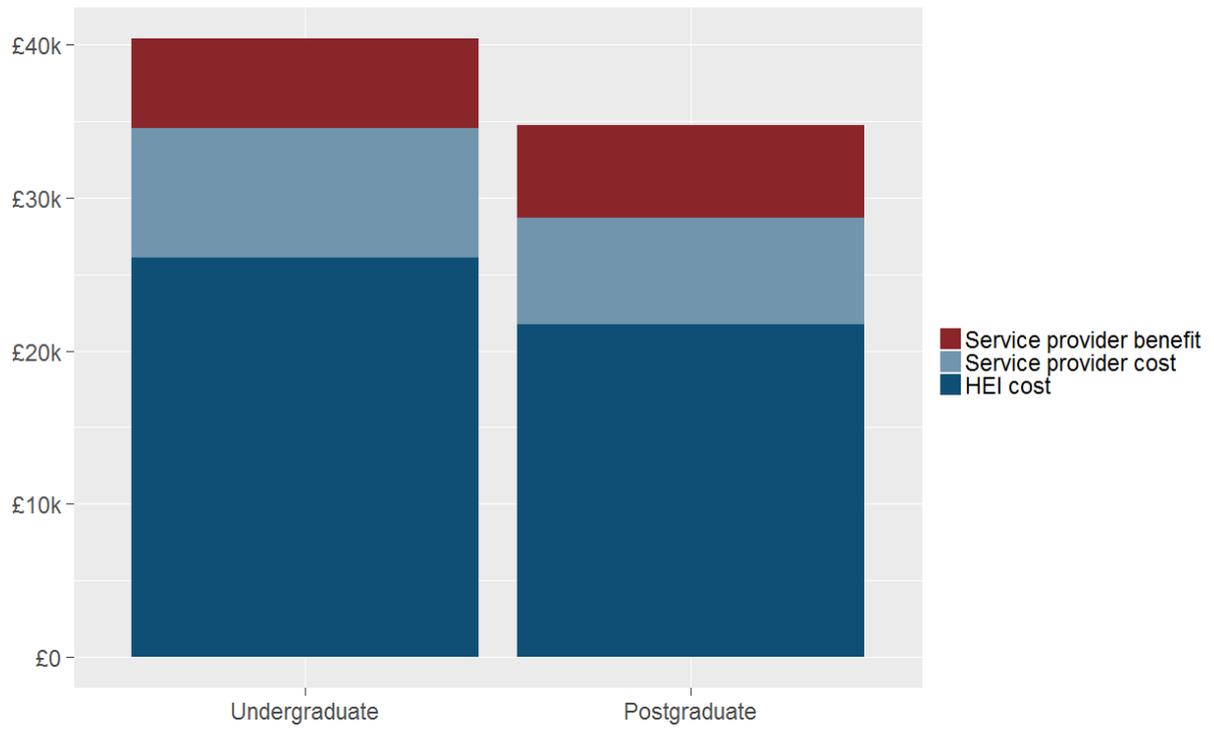
96. The benefits that the student provided to the placement organisation are based on the amount of time the student performed the duties of a social worker or another member of staff (e.g. administrator). We can deduct these benefits from the resource input provided by service providers. Building on the Curtis research, we have estimated the benefit for undergraduate students is £5,882 and £6,019 for postgraduate students (2015 prices). **Table 13** and **Figure 5** show that the net cost (resource input minus benefits) per NQSW for undergraduates is £34,523 and £28,690 for postgraduate students.

97. There are additional benefits to the economy relating to students undertaking part-time work (related or unrelated to social work). However, we have not included this in our calculations due to lack of reliable data at the individual student level.

**Table 13: Resource input and service provider benefits per NQSW**

	Undergraduate (2013/14 cohort)	Postgraduate (2014/15 cohort)
HEI resource input	£26,058	£21,725
Service provider input	£14,347	£12,984
Service provider benefit	-£5,882	-£6,019
<b>Total</b>	<b>£34,523</b>	<b>£28,690</b>

**Figure 5: Resource input and service provider benefits per NQSW**



## 4. The Accelerated Qualification Routes

### Introduction

98. In this section, we examine the unit costs of delivery associated with the accelerated social work qualification routes. The costing methodology is based on a top-down approach. However, the top-down and bottom-up methods are likely to be broadly equivalent for Frontline as programme funding is exclusively used for delivery costs. This may not hold true for Step Up as costs will vary depending on the nature of programmes agreed between course providers and regional partnership fund holders.

99. The Frontline and Step Up programmes are both Department for Education funded. Although they contain sufficient elements to qualify as an adult social worker, they are designed to train participants for entry into child and family social work. This differs from the traditional qualification routes which are supported by a Department of Health and Department for Education joint fund and are designed for entry to any branch of social work.

100. Apart from a relatively small amount (£34,000, 0.4% of total spend) of funding that Frontline receives from other sources, all costs are borne by the government. Therefore, we have not separated costs by cost to government and total economic costs as we did with the traditional qualification routes. All money from other sources is directly invested in programme delivery.

101. Our analysis of both routes is addressed under the following headings:

- Method overview;
- The delivery models;
- Costing features and assumptions;
- Comparable cost analysis.

### Method overview

102. Frontline and Step Up are both relatively new programmes where the delivery models differ, not only significantly to the traditional qualification routes, but also with each other. In order to determine the cost per NQSW to Government for the accelerated qualification routes, we adopted a top-down methodology. For each qualification route this involved:

- Understanding the delivery models;
- Identifying how and where the total DfE grant funding is spent;
- Exploring additional costs/funding; and

- Accounting for attrition using the proportion of trainees progressing on to their ASYE as a denominator.

103. All costs presented are actual costs for the stated cohort years.

## The Delivery Models

### Frontline

104. Frontline is a very new approach to transforming the life chances of vulnerable young people by recruiting and training high calibre graduates to be child and family social workers. The approach follows elements of the Teach First model. Entry to the programme is highly selective reflecting significant competition for places. The model is based on the work in 2012 by the Institute for Public Policy Research (IPPR) and until September 2015 was supported by Absolute Return for Kids (ARK). ARK support is not relevant to cohort three and therefore has not been included in the analysis.

105. From a structural perspective the Frontline programme consists of:

- An intensive five-week summer institute at the beginning of the course;
- Two years' hands-on work in a local authority as part of a team led by a Consultant Social Worker who will co-work cases with the trainees; participants qualify as a social worker after completion of the first 14 months on the programme;
- In the first year, input from a leading university culminating in a postgraduate diploma in social work. Participants are expected to progress onto the second year of the programme where they work towards a Master's degree. However, if a participant so wishes they can drop out of the programme;
- A bespoke leadership development programme delivered by experts in the field; and
- A competitive training bursary in year one and a full salaried local authority social worker post in year two.

106. Frontline, which began in 2013, is being piloted over a five-year period through to 2018. Cohort one of 104 trainees commenced in July 2014. Cohort two of 124 trainees commenced in July 2015 and cohort three of 180 trainees will commence in summer 2016. Cohort three includes a geographical expansion of the programme across the North East England. Associated with this is a higher total cost of delivery and lower unit cost.

107. Training comprises an intensive five-week summer institute followed by a placement (of at least 170 days) in a student unit in a participating local authority alongside ongoing theoretical input from the partner university. Each unit is led by a Consultant Social Worker who undertakes real casework with the trainees. In addition to the required 170 placement days students also complete 30 contrasting learning days in

a different placement setting. Students qualify as social workers after 14 months on the programme and make a commitment to practise for a further year, with additional leadership development and completion of a Master's degree. Students receive a bursary of approximately £16,000 (plus London weighting) for the first year of the programme and a local authority salary in year two.

108. Frontline is funded by the Department of Education to deliver this accelerated entry programme.

## **Step Up**

109. Step Up is a tailored, employer led, training programme that provides successful trainees with a post-graduate diploma qualification in social work, alongside intensive hands-on experience. It has been specifically designed for graduates and career changers with experience of working with children and young people to train to become qualified social workers. Places on the programme are highly competitive and as a result the participants selected tend to be of a high calibre.

110. The Department for Education currently sets the overall terms and conditions of the programme and grant funds local authorities to deliver it. Delivery of the programme is led by local authorities grouped together as regional partnerships with a nominated local authority in the lead. Each partnership has a contract with an HEI provider to deliver the academic strand of the programme, which is delivered alongside the work placement provided by the local authorities. Courses vary slightly to allow local priorities to shape the training. A key feature is providing practitioner input alongside academic learning.

111. Trainees undertake a minimum of 170 placement days of hands-on social work experience in their local authority alongside the academic learning required to attain a post-graduate diploma. Typically, local practitioners complement the academic teaching, and learning is tailored to the requirements of trainees in their different placements. Some distance and/or online learning is also a common feature.

112. Students are work-based rather than campus based throughout the period of their training. Teaching and learning methods vary depending on the arrangements agreed by the universities and regional partnerships running the Step Up programme, e.g. lectures, e-learning and internal local authority training provision. Teaching is often co-delivered by academic staff and practitioners. Experts in the private and voluntary sectors and service users also contribute their experiences in learning.

113. Students receive a bursary of £19,833 for the 14-month programme. At the end of the programme, if successful, students qualify with a Postgraduate Diploma in Social Work, and are able to register with the HCPC as social workers.

114. The first two cohorts of Step Up operated between 2010 and 2013 and offered a Master's degree in social work over an 18-month period. The third cohort commencing in

2014 was the first year of the diploma programme and consisted of 75 local authorities clustered in 13 regional partnerships, providing support for 309 trainees.

## **Costing Features and Assumptions**

115. There are significant differences between the two programmes in relation to both operational delivery structures and components of funding. In order to achieve an as close to like for like comparison as possible, we need to be clear about assumptions that influence the cost calculation for each programme. These are discussed in turn below.

### **Selected Cohort**

116. The selected student cohort for each programme is cohort three. In the case of Step Up, this includes 309 trainees who completed the programme in March 2015. The Frontline cohort consists of 180 trainees who are due to start training in July 2016.

117. The decision to use cohort three for Frontline was based on the assumption that this would be closer to a “steady state” model of delivery. These costs have been prepared by Frontline and reflect cohort one and two learning. They were assembled as part of a business planning exercise in July 2015. We assessed these projections against past expenditure and forecast activity and as such are confident that they are robust and consistent.

118. In relation to both programmes, any costs incurred associated with aspects of further development and potential wind down/closure have been excluded.

119. In both programmes, costs relate exclusively to year one of the programme i.e. to the point of becoming a NQSW and about to commence their ASYE, which is 13 months for Frontline and 14 months for Step Up.

### **Completion Rate**

120. The completion rate, i.e. the proportion of students entering their ASYE year, was 97% for Step Up and is projected to be 95% for Frontline. Step Up rates are based on the number of participants in cohort three that completed the programme. In the case of Frontline, the rate is based on the proportion of graduates in cohort one still on the programme towards the end of the first year.

121. As with the traditional qualification routes, we do not factor for post-qualification attrition rates. Step Up and Frontline are relatively new programmes, and therefore, it remains to be seen how long participants will continue to practise social work after qualifying.

**Table 14: Cohort numbers**

	Started course	Completed course
Frontline 2016/17 cohort (95% progression projected)	180	171
Step Up 2014/15 cohort (97% progression actual)	309	300

122. As with the traditional qualification routes, it is assumed that students that drop out of either programme mid-year receive the full bursary payment. This assumption also applies to programme delivery costs (including the Education Support Grant). Our analysis shows that both programmes experience very low-level of attrition, therefore, this assumption will have little impact on the calculated unit costs.

### **Management**

123. Management costs for Step Up reflect the staff costs and overheads of the Department for Education (DfE) in overseeing the overall programme and the DfE funded management costs of administering the regional partnerships. In the case of Frontline, it is their projected actual costs of managing the cohort three programme.

### **Opportunity Costs**

124. In calculating the wider costs associated with the traditional qualification routes, we made an estimate of the alternative employer income students might have received had they not undertaken a degree route. As part of the accelerated costs route calculations, we have assumed that there is no opportunity cost. An opportunity cost would only arise if it were assumed that trainees could have secured a higher income through an alternative employment route other than participating in Step Up or Frontline. As bursaries are not significantly below the level of typical graduate starting salaries, particularly in socially oriented careers, we have assumed zero opportunity costs in the absence of evidence on the alternative employment prospects of individual students.

### **Recruitment Costs**

125. The recruitment costs for Step Up relate exclusively to the overarching costs of the Step Up recruitment programme funded directly by DfE and delivered by Penna. We understand that regional partnerships will also incur relatively small recruitment costs but these have not been separated out of their overall management costs. Frontline recruitment costs are based on their estimates for the cohort three programme and reflect a significantly more intensive plan of action.

### **Education Support Grant**

126. The Education Support Grant covers the costs incurred by HEIs and service providers for the arrangement and facilitation of the placement modules. We understand,

through consultation, that this is claimed for Step Up but not for Frontline. This is not available in the case of Frontline as it would result in double funding.

### **Additional Costs**

127. A small proportion of the Frontline programme costs will be funded through sources other than the DfE grant. These are forecast to amount to £34,000 and have been included in the costs of the Frontline programme. This external funding is required to cover costs outside the scope of the DfE grant.

### **Additional assumptions**

128. The cost of pre-requisite qualifications are borne by the individual and not included in our calculations: it is treated as a sunk cost.

### **Comparative Cost Analysis**

129. Cost information has been collected from both Frontline and Step Up relating to their respective student cohort three groups and aggregated into five common categories as follows:

- Academic training/support
- Local authority training/support
- Recruitment
- Administration/management/overheads

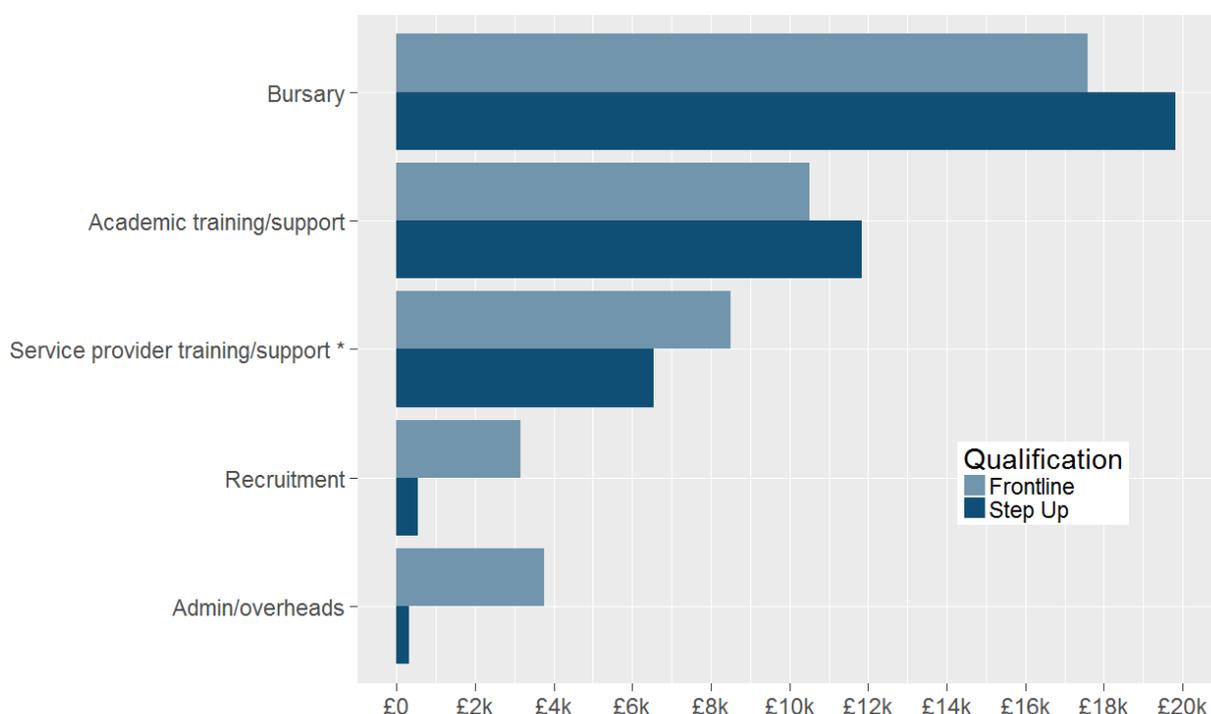
130. Against each cost category set out in **Table 15** and **Figure 6**, we present the total annual spend for the cohort as a whole and the participant unit cost for total number of trainees enrolled plus the relative share of each category of total annual spend.

**Table 15: Frontline and Step Up Cost Comparison**

	Frontline (2016/17 cohort)			Step Up (2014/15 cohort)		
	Unit	Total	% (total)	Unit	Total	% (total)
<b>Bursary</b>	£17,601	£3,168,145	40.26%	£19,833	£6,128,397	50.55
<b>Academic training/support</b>	£10,521	£1,893,809	24.06%	£12,023	£3,715,103	30.64
<b>Local Authority training/support</b>	£8,501	£1,530,146	19.44%	£6,538	£2,020,350	16.66
<i>Of which Education Support Grant</i>			0.00%	£3,400	£1,050,600	8.67
<b>Recruitment</b>	£3,195	£575,181	7.31%	£534	£165,000	1.36
<b>Administration/management/overheads</b>	£3,904	£702,767	8.93%	£308	£95,050	0.78
<b>Total</b>	£43,722	£7,870,048	100.00	£39,042	£12,123,900	100.00
<b>Number of trainees enrolled</b>	180			309		
<b>Number progressing to ASYE</b>	171			300		
<b>Cost per enrolled</b>	£43,722			£39,236		
<b>Cost per NQSW</b>	<b>£46,024</b>			<b>£40,413</b>		

Note: figures may not sum due to rounding

**Figure 6: Frontline and Step Up Cost Comparison**



\*includes Education Support Grant for Step Up

131. The per participant social work bursary is 13% (£2,232) higher for Step Up compared to Frontline. This is explained by the longer 14-month duration of support period for Step Up.

132. The per participant unit cost of academic training/support is 14% higher (£1,502) for Step Up than Frontline. This is explained by a higher number of academic support days for Step Up.

133. Local authority training/support is 30% (£1,963) higher for Frontline than Step Up. This is explained by the more intensive work placement support model in Frontline.

134. The per participant unit recruitment costs are approximately six times higher for Frontline than Step Up. This is explained by differences in the scale and scope of the recruitment campaign for Frontline: this includes screening online applications, video interviews and day-long assessment centres attended by Frontline staff, external assessors, care experienced young people and actors (for role-play exercises).

135. The per participant administration/overheads are approximately 13 times higher for Frontline than Step Up. This is explained by a larger Frontline administration/support team.

136. The total cost per NQSW is £46,024 for Frontline compared to £40,413 for Step Up. This equates to 14% (£5,611) higher unit cost for Frontline.

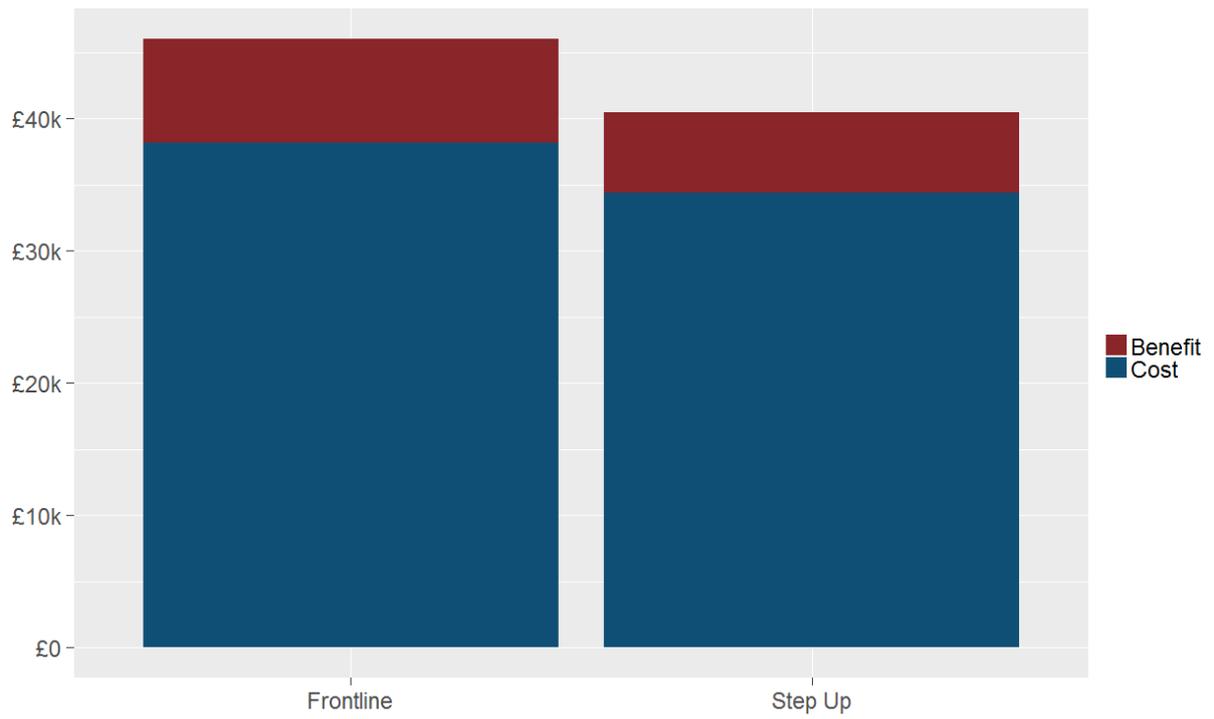
### Consideration for benefits

137. Although the costs calculated for the accelerated routes may not necessarily reflect resource input (i.e. they were developed with a top-down rather than bottom-up methodology) we have, to allow for some comparison with the traditional qualification routes, taken account for service provider benefits. This analysis is largely illustrative; for this reason, we have not included benefits in our headline cost totals.

138. The Curtis et al (2012) study did not include accelerated qualification routes. However, as a proxy measure we have applied the same benefit of £6,019 that was calculated for postgraduate students to the accelerated programmes. In the case of Frontline, additional benefits are deemed to have accrued to service providers through the training of consultant social workers and the impact this has on practice. This was calculated based on the cost (forecast by Frontline) to train consultant social workers in the latest/best practice. For cohort three, the estimated total benefit per NQSW is £7,907.

139. The net cost (funding minus benefits) for Frontline is £38,117 and £34,394 for Step Up. This is presented in **Figure 7**:

**Figure 7: Accelerated qualification route costs and benefits per NQSW**



## 5. Conclusions

140. In this section, we draw together our key methodological considerations and also contrast the comparative costs of all four costed routes to social work qualification.

### Methodology

141. Our methodology has maximised all information available to us and has been presented in a logical sequence showing the separate building blocks of the calculations. It has been necessarily complex in places, including sets of assumptions, in order to be totally transparent and replicable.

142. Our bottom-up analysis has been largely illustrative and confirmed expectations regarding the costing of university courses and student placements. In terms of university courses resource cost estimates are 17% lower than purchase price for undergraduate routes and 24% higher for postgraduate routes. In terms of student placements, the resource costs of employer placements were shown to be more than double the amount paid in the compensating Education Support Grant.

143. In order to maintain consistency in analysis all comparative costs presented are based on the top-down purchase price method. Although estimates of the cost to government are necessarily the same for both.

144. Comparative costs are expressed in two ways. The cost to government, which is a narrow fiscal cost, and the cost to the economy which is a wider estimate combining government and individual costs.

145. Benefits to service providers accrue where there is deemed to be a benefit through the hosting of the respected programmes. In the context of all qualification routes, this relates to the benefits of trainee social workers undertaking the duties of social workers and other members of staff. In the case of Frontline additional benefits are deemed to have accrued to local authorities through the training of consultant social workers and the impact this has on practice.

### Comparative Costs

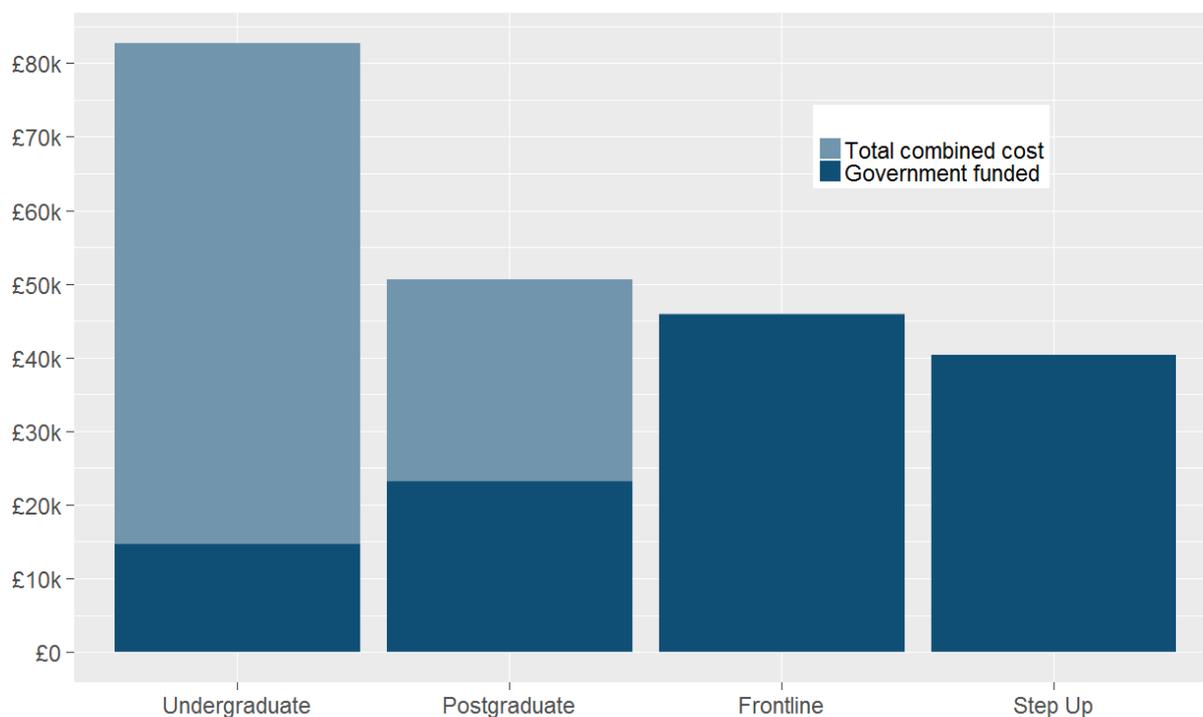
146. The headline top-down costs for each qualification route, discussed and specified in detail earlier in the report, are set out in **Table 16 and Figure 8**.

**Table 16: All qualification routes cost to government and total cost to the economy per NQSW.**

	Cost to government		Total cost to the economy	
	Unit	Total	Unit	Total
<b>Undergraduate 2013/14 cohort (2510 NQSWs)</b>	£14,675	£36,833,719	£82,747	£207,694,970
<b>Postgraduate 2014/15 cohort (1242 NQSWs)</b>	£23,225	£28,841,419	£50,560	£62,796,041
<b>Frontline 2016/17 cohort (171 NQSWs)</b>	£45,823	£7,835,657	£46,024	£7,870,048
<b>Step Up 2014/15 cohort (300 NQSWs)</b>	£40,413	£12,063,900	£40,413	£12,123,900

Note: figures may not sum due to rounding

**Figure 8: Comparative costs of different qualification routes, to government and total cost to the economy (per NQSW).**



### Cost to Government

147. The unit costs to government are significantly lower for the traditional routes. The cost is lowest for the undergraduate route (£14,675) with the postgraduate (MA/MSc) route 58% higher at £23,225.

148. The lowest accelerated unit cost route is Step Up, which at £40,413, is 12% lower than Frontline (£45,323).

149. The most expensive accelerated route unit cost is approximately three times higher than the lowest cost traditional route.

## Cost to the Economy

150. On the wider cost calculation, the positions are reversed with the accelerated routes generating the lowest unit costs.

151. The lowest unit cost is for Step Up at £40,413 and the highest for the undergraduate route at £82,747 - approximately double the price.

152. The significant difference between the cost to government and cost to economy estimates is explained by the opportunity cost (alternative employment to degree course), which applies only to the traditional routes.

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**Reference: DFE-RR517**

**ISBN: 978-1-78105-575-5**

This research was commissioned under the under the 2010 to 2015 Conservative and Liberal Democrat coalition government. As a result, the content may not reflect current Government policy. The views expressed in this report are the authors' and do not necessarily reflect those of the Department for Education.

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